

Request for City Council Action

Date: August 12, 2003

To: Council Member Lisa Goodman, Community Development Committee
Council Member Barbara Johnson, Ways and Means/Budget Committee

Refer to: MCDA Board of Commissioners

Prepared by: Darrell Washington, Phone 612-673-5174

Presented by: Darrell Washington, Senior Project Coordinator, Phone 612-673-5174

Approved by: Lee Sheehy, MCDA Executive Director
Chuck Lutz, MCDA Deputy Executive Director _____

Subject: Modification #15 to the Grant Urban Renewal Plan and Modification No. 95 to the Common Tax Increment Finance Plan: Designating three sites within the Grant Urban Renewal Plan area as "Properties That May Be Acquired"

Previous Directives: On July 31 1998, the City Council approved a resolution affirming a special law approved by the Minnesota Legislature in 1997 relating to the establishment of a housing transition tax increment district. On July 30, 1999, the City Council approved the Near North Community Redevelopment Plan. On June 22, 2001, the City Council and MCDA Board approved the Hollman Transition TIF Plan, Modification No. 13 to the Grant Urban Renewal Plan, and Modification No. 84 to the Common Development Tax Increment Finance Plan. On December 28, 2001, the City Council and MCDA Board approved Modification No. 14 to the Grant Urban Renewal Plan, and Modification No. 87 to the Common Plan to allow certain properties to be placed in acquisition status. On March 21, 2003 the City Council and MCDA Board approved Modification No. 1 to the Near Northside Redevelopment Plan placing Prince of Glory Church in acquisition status and renaming the Near North Community Redevelopment Plan to Heritage Park Redevelopment Plan.

Ward: 5

Neighborhood Group Notification: Northside Residents Redevelopment Council; Harrison Neighborhood Association

Consistency with *Building a City That Works*: Consistent with Goal 2 – Ensure that an array of housing choices exists to meet the needs of our current residents and attract new residents to the city.

Comprehensive Plan Compliance: Complies

Zoning Code Compliance: Complies

Impact on MCDA Budget: (Check those that apply).

- ☒ No financial impact
- ☐ Action requires an appropriation increase to the MCDA Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

Living Wage / Business Subsidy: Not Applicable.

Job Linkage: Not Applicable.

Affirmative Action Compliance: Not Applicable.

RECOMMENDATION:

City Council Recommendation: Approve the attached resolution adopting Modification No. 15 to the Grant Urban Renewal Plan and Modification No. 95 to the Common Plans that designate four parcels as “properties that may be acquired.”

MCDA Board Recommendation: Approve the attached resolution adopting Modification No. 15 to the Grant Urban Renewal Plan and Modification No. 95 to the Common Plans that designate four parcels as “properties that may be acquired.”

Properties To Be Acquired

Attached to this transmittal for your approval, is a resolution that designates certain properties within the Grant Urban Renewal Plan as “Property That May Be Acquired” in accordance with state laws and city ordinances governing modifications to TIF districts. Three of the four parcels being identified for partial acquisition are located within the Van White Memorial Boulevard (VWMB) corridor. The remaining property designated for (partial) acquisition is located where 10th and 11th Ave. N are to be built and ownership housing is planned. These acquisitions and their eventual land use were identified as part of the Near Northside Master Plan that was approved by the City Council on March 24, 2000.

Address	Owner	PID	Current Land Use	Current use of land to be acquired	Future Use
1000 Humboldt	Elmer Enterprises LLC (Siyeza)	21-029-24-12-0117	Food Production	Vacant	10 th & 11 th Ave. N and Housing
1146 Emerson	Krey Construction Co. Inc (City View Apts.)	21-029-24-12-0082	Multi-Family Rental	Parking	Van White Boulevard
1101 Plymouth	Lowell Zitzloff (Cooperative Printing)	21-029-24-12-0116	Commercial Printing	(No land needed)	Van White Boulevard
1109 12 th Ave. N.	Lowell Zitzloff (Cooperative Printing)	21-029-24-12-0123	Parking for Coop. Printing	Parking	Van White Boulevard

Attached is the TIF Plan Modification (Modification No. 15 to the Grant Urban Renewal Plan) which lists the designated properties to be acquired, the conditions under which property may be acquired, and a map identifying where the properties are located within the Grant Urban Renewal Area.

**Adopting Modification No 15 to the Grant Urban Renewal Plan, and Modification
No 95 to the Common Development and Redevelopment and Common Tax
Increment Finance Plan**

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

Section 1. Recitals.

- 1.1. Pursuant to Laws of Minnesota 1980, Chapter 595, as amended, and the Minneapolis Code of Ordinances, Chapter 422, as amended, the Housing and Redevelopment Authority in and for the City of Minneapolis has been reorganized, granted additional powers, and designated the Minneapolis Community Development Agency (the "Agency") with the authority to propose and implement redevelopment projects and tax increment financing ("TIF") districts, among other things, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, 469.174 through 469.179, as amended; and Laws of Minnesota 1971, Chapter 677 (collectively, the "Project Laws").
- 1.2. By Resolution on February 28, 1964, the City Council of the City of Minneapolis approved the Grant Urban Renewal Project and Grant Plan and further, the Agency approved fourteen modifications to the Plan between 1964 and 2001, inclusive, that were approved by the City Council of the City.
- 1.3. By Resolution No 89R-530 duly adopted December 15, 1989 and approved December 21, 1989, the City of Minneapolis has approved the creation by the Agency of the Common Development and Redevelopment Project (the "Common Project Area") and the adoption of the Common Development and Redevelopment Plan and the Common Tax Increment Financing Plan (the "Common Plans") relating thereto, all pursuant to the Project Laws.
- 1.4. The Agency has prepared, and this Council has investigated the facts with respect to, a proposed Modification No 15 to the Grant Urban Renewal Plan and Modification No 95 to the Common Plans (the "Modifications"), describing more precisely the parcels to be designated for acquisition located within the boundary of the Grant Urban Renewal Plan and the boundary of the Common Plans in accordance with Project Laws.

- 1.5. The Agency and the City have performed all actions required by law to be performed prior to the adoption of the Modifications, including, but not limited to, a review of the proposed Modifications by the affected neighborhood groups and the Planning Commission, transmittal of the proposed Modifications to the Hennepin County Board of Commissioners and the School Board of Special School District No 1 for their review and comment, and the holding of a public hearing after published and mailed notice as required by law.
- 1.6. The Council hereby determines that it is necessary and in the best interests of the City at this time to approve the Modifications to reflect the designation of parcels that may be acquired.

Section 2. Findings for the Adoption of the Modifications.

- 2.1. The Council hereby finds, determines and declares that the proposed Modifications will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment of the project by private enterprise.
- 2.2. The Council further finds that the Modifications conform to the general plan for the development of the City as a whole. Written comments of the Planning Commission with respect to the Modifications were issued and are incorporated herein by reference, and are on file in the office of the City Clerk in the form of a petition.
- 2.3. The Council further finds that the land in the project would not be made available for redevelopment without the financial aid to be sought.
- 2.4. The Council further finds, determines and declares that it is necessary and in the best interests of the City at this time to approve the Modifications.

Section 3. Approval of the Modifications.

- 3.1 Based upon the findings set forth in Section 2, the Modifications presented to the Council on this date are hereby approved and shall be placed on file in the office of the City Clerk.

Section 4. Implementation of the Modifications.

- 4.1. The officers and staff of the City and the Agency, and the City's and the Agency's consultants and counsel, are authorized and directed to proceed with the implementation of the Modifications, and for this purpose to

negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further plans, resolutions, documents and contracts necessary for this purpose.

**Modification No. 15
to the
Grant Urban Renewal Area
and
Modification No. 95 to the Common Development and Redevelopment
and Common Tax Increment Finance Plan**
July 11, 2003

Introduction

Modification No. 15 to the Grant Urban Renewal Plan and Modification No. 95 to the Common Development and Redevelopment and Common Tax Increment Finance Plan (the “Common Plans”) reflect the designation of parcels within the Grant Urban Renewal TIF District as property that may be acquired. Because the Grant Urban Renewal Project is within the boundary of the Common Plans, a Modification to the Common Plans has been prepared. The Modifications authorize public redevelopment activity that will be undertaken in conjunction with the Heritage Park Project, a mixed use, mixed income community that replaces the former Sumner-Field, Olson, Glenwood, and Lyndale family public housing developments.

Background

Four public housing developments, Sumner-Field, Olson, Glenwood, and Lyndale, formerly located on the site, were the subject of a 1992 lawsuit, *Hollman vs. Cisneros*. The lawsuit was filed in order to deconcentrate public housing, offer greater housing choices for low-income families and provide better quality housing. The Federal District Court approved the lawsuit settlement in April 1995. Since then, the Minneapolis Public Housing Authority (MPHA) and the city have been working with input and support from the community to implement the settlement and legal obligation under the Consent Decree which will create a new mixed-income community on the Near North Side of Minneapolis, and new public and affordable housing units throughout the city and suburbs. A redevelopment project area and tax increment district (Heritage Park) were created for this project.

Property Acquisition

1. List of Property That May Be Acquired

By including in this Modification a list of property that may be acquired, the Agency is signifying that it is interested in acquiring the property listed, or portions thereof, subject to limitations imposed by availability of funds, developer interest, staging requirements, soil contamination and other financial and environmental considerations. Inclusion on this list does not indicate an absolute commitment on the part of the Agency to acquire a property.

The Grant Urban Renewal Project Area contains the following parcels that are included in this Modification as property that may be acquired:

Address	Owner	Property ID
1000 Humboldt Avenue North	Elmer Enterprises LLC	21-029-24-12-0117
1146 Emerson Avenue North	Krey Construction Co. Inc.	21-029-24-12-0082
1101 Plymouth Avenue North	Winslow Printing Co.	21-029-24-12-0116
1109 12 th Avenue North	MCDA	21-029-24-12-0123

2. Conditions Under Which Property May Be Acquired

State law authorizes the Agency to acquire property either on a negotiated basis or through the use of its power of eminent domain, if necessary, to carry out a redevelopment plan. The Agency will seek to acquire property from willing sellers whenever possible, but may use the power of eminent domain and its condemnation authority to acquire property identified as “property that may be acquired” when necessary.

Project Acquisition Map – Changed

The revised Project Acquisition Map is attached as Exhibit #1.

**MODIFICATION NO. 95
TO THE
COMMON DEVELOPMENT AND REDEVELOPMENT PLAN
AND COMMON TAX INCREMENT FINANCE PLAN**

(Modification No. 15 to the Grant Urban Renewal Plan)

July 11, 2003

Introduction Modification No. 95 to the Common Development and Redevelopment Plan and Common Tax Increment Finance Plan (the Common Plans), and Modification No. 15 to the Grant Urban Renewal Plan – have been prepared by the Minneapolis Community Development Agency (the MCDA or Agency) to designate parcels as Property That May Be Acquired. Because the Grant Urban Renewal Project is within the boundary of the Common Plans, a Modification to the Common Plans has been prepared. The Modifications authorize public redevelopment activity that will be undertaken in conjunction with the Heritage Park Project, a mixed use, mixed income community that replaces the former Sumner-Field, Olson, Glenwood, and Lyndale family public housing developments.

SECTION A. COMMON DEVELOPMENT AND REDEVELOPMENT PLAN

Subsection A.1. Mission Statement – No Change

Subsection A.2. Definitions – No Change

Subsection A.3. Description of Public Purpose – No Change

Subsection A.4. Objectives of the Common Project – No Change

Subsection A.5. Structuring of the Common Project – No Change

Subsection A.6. History of Establishment and Modification of Projects and TIF Districts Included in Common Project Area (Changed)

Subsection A.6. is modified to include the following information:

Underlying Project	Plan or Modification	City Council Approval Date	Resolution Number
Modification No. 15 to the Grant Urban Renewal Plan	Modification No. 95 to the Common Development and Redevelopment and Common Tax Increment Finance Plan	August 22, 2003	2003R-____

Subsection A.7. Estimated Public Improvement Costs (No Change)

Subsection A.8. Boundaries of the Common Project Area (No Change)

Subsection A.9. Development Program Requirements (No Change)

Subsection A.10. Modifications to Common Development and Redevelopment Plan (No Change)

Subsection A.11. Neighborhood Revitalization Program (No Change)

SECTION B. COMMON TAX INCREMENT FINANCE PLAN

Subsection B.1. Summaries of Participating Tax Increment Financing Districts (No Change)

Subsection B.2. Boundaries of Participating Tax Increment Financing Districts (No Change)

Subsection B.3. Statement of Objectives and Development Program, Including Property to be Acquired (Changed)

Property Acquisition

1. List of Property That May Be Acquired

By including in this Modification a list of property that may be acquired, the Agency is signifying that it is interested in acquiring the property listed, or portions thereof, subject to limitations imposed by availability of funds, developer interest, staging requirements, soil contamination and other financial and environmental considerations. Inclusion on this list does not indicate an absolute commitment on the part of the Agency to acquire a property.

The Grant Urban Renewal Project Area and TIF District contains the following parcels that are included in this Modification as property that may be acquired:

Address	Owner	Property ID
1000 Humboldt Avenue North	Elmer Enterprises LLC	21-029-24-12-0117
1146 Emerson Avenue North	Krey Construction Co. Inc.	21-029-24-12-0082
1101 Plymouth Avenue North	Winslow Printing Co.	21-029-24-12-0116
1109 12 th Avenue North	MCDA	21-029-24-12-0123

2. Conditions Under Which Property May Be Acquired

State law authorizes the Agency to acquire property either on a negotiated basis or through the use of its power of eminent domain, if necessary, to carry out a redevelopment plan. The Agency will seek to acquire property from willing sellers whenever possible, but may use the power of eminent domain and its condemnation authority to acquire property identified as “property that may be acquired” when necessary.

- Subsection B.4. Properties to be Deleted from Participating Tax Increment Financing Districts (No Change)**
- Subsection B.5. Development Activity in the Common Project for Which Contracts Have Been Signed and Other Specific Development Is Expected to Occur (No Change)**
- Subsection B.6. Description of Financing (No Change)**
- Subsection B.7. Estimated Impact on Other Taxing Jurisdictions and But For Statement (No Change)**
- Subsection B.8. Modifications to Common Tax Increment Financing Plan (No Change)**
- Subsection B.9. Neighborhood Revitalization Program (No Change)**